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SUBJECT: JERUSALEM MEDIA REACTION (6/03): PALESTINIAN PESSIMISM IN  
LIGHT OF ISRAELI SETTLEMENTS AND POLITICAL CRISIS

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Main Stories:  
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The dailies devote extensive coverage with photos to the June 2 meeting of Palestinian President Abbas and Israeli Premier Olmert in Jerusalem. The dailies characterize the meeting as "difficult." The lead story in Al-Quds reports that Abbas told Olmert, "negotiations and settlements do not mix." Al-Ayyam reports that the meeting ended, "without results."

Upon his departure to Washington, the dailies note Israeli Premier Olmert's comments that, "Jerusalem will forever remain under Israeli control." Related negative coverage about settlement expansion in the Jerusalem area also appears on all front pages. Papers run statements from the White House and the United Nations showing "concern" over the Israeli plan to build 844 new homes in "occupied East Jerusalem." Al-Quds reports that Palestinian Prime Minister Fayyad declared himself, "pessimistic" in an interview with AP about negotiations with Israel in light of accelerating settlement activities.

Palestinian Prime Minister Fayyad has signed an agreement with the German Foreign Minister to provide funding for ten development projects in Jenin, the dailies note. Separate reports in all papers highlight that Israeli authorities have allowed "Arabs living inside the green line" to go shopping in Jenin for the first time in eight years. The papers declare the action a positive step that will help Jenin's economy.

Headlines highlight that Palestinian President Abbas announced that his government is, "thinking of calling for Arab and international intervention to end the miserable situation in Gaza." Related

coverage in all dailies carries "threats" by the Israeli Government to conduct a "wide-scale military operation" in Gaza.

Ma'an News Agency reports that, "The U.S. Consulate [on June 1] told Fulbright candidates from Gaza that it is restoring funding for the prestigious scholarship program and is 'working closely' with the Government of Israel to secure permits for the students to leave Gaza in order to attend visa interviews at the U.S. Consulate in Jerusalem and thereafter leave Gaza for travel to the United States."

Citing wires, the front page of Al-Ayyam reports that presidential candidate John McCain has promised to, "provide more support to Israel." Al-Ayyam quotes McCain stating that threats against Israel are escalating so American support to Israeli should also increase.

Citing different news agencies, the front page of Al-Ayyam reports that the Syrian President has asked for American sponsorship of Syrian negotiations with Israel.

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BLOCK QUOTES:  
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11. Independent daily Al-Ayyam runs an op-ed by veteran columnist Muhannid Abd-Alhamid entitled, "Do we have other options?" (6/03): "After the American and Israeli performance, who dares be optimistic about reaching a political solution that will end the Israeli occupation and bring international legitimacy? Anyone who takes a closer look at what has been announced and what is still hidden in the details on the negotiation table, and at the situation on the

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ground, will conclude that there is no solution! Moderate and extremists agree on this point. Bush's administration and several Israeli governments succeeded in convincing the world, including Arab countries and the Palestinian elite, that [former Palestinian President] Arafat was the obstacle to reaching an agreement at Camp David in 2000. But this [analysis] has been proven wrong after the death of Arafat and the election of [Palestinian President] Abbas who is totally committed to the road map without reservation. [Abbas] surrendered to negotiations as the one and only means [of achieving peace]. Nevertheless, the Israelis continued to repeat: There is no Palestinian partner..."

12. Independent daily Al-Quds runs an op-ed by columnist Rasim Obaidat entitled, "Stopping the vicious circle." (6/03): "... it is not true that what is happening in Israel is an internal Israeli issue; it is an issue that has direct influence on Palestinian issues and Palestinian rights. Under no circumstances should Israeli political reshuffling be used as a justification to escalate Israeli aggression against our people. We remain under an occupation that is growing worse and we should not place our hope [for improvement] in the international community. Previous experience has taught us that the world does not respect weak people and discounts them... given current Israeli settlement policy and their rejection of peace, the Palestinian team should... declare [negotiations] a failed mechanism."

WALLES